

RESOLUTION NO.

A RESOLUTION APPROVING THE
FINANCING OF THE CENTENNIAL TOWNHOMES

Resolution No. R-82-07-17

WHEREAS, a shortage of assisted housing for persons and families exists in Ft. Wayne, Indiana (the "City");

WHEREAS, it is proposed that a housing project be financed and constructed in the City at Old Decatur Road and Serenity Drive to be owned and operated by Centennial/Ft. Wayne Associates, an Indiana limited partnership (the "Owner"), consisting of 88 unites of housing for persons and families, including elderly and handicapped persons, eligible for assistance under Section 8 of the United States Housing Act of 1937 (the "Project"), as amended;

WHEREAS, a not-for-profit Indiana corporation (the "Corporation") will be created to provide construction and permanent mortgage financing for the Project by issuing its Construction Loan Notes (FHA-Insured Advances) (Centennial Townhomes) (the "Notes") and its Mortgage Revenue Bonds (Centennial Townhomes--FHA-Insured Mortgage and Section 8 Assisted Project) (the "Bonds");

WHEREAS, Section 11(b) of the United States Housing Act of 1937 provides that interest paid on obligations issued by certain entities, such as the Corporation, to assist in financing of housing, such as the Project, as tax-exempt, and the same section authorizes an exemption from taxation for income derived by such entities from such housing;

WHEREAS, in order to obtain the tax exemption benefits of federal law, it is necessary for the Housing Authority of the City of Ft. Wayne, Indiana (the "Authority") to make certain findings and enter into certain agreements with respect to the Project and the Corporation, which findings and agreements are set out in substantially the form of the Resolution attached hereto as Exhibit I; and

WHEREAS, in order for the Housing Authority of the City of Ft. Wayne, Indiana to make such findings, enter into such agreements and engage in transactions contemplated by Exhibit I attached hereto, it is necessary, pursuant to Burns Indiana

Statutes Section 36-7-18-14, for the Common Council of Ft. Wayne, Indiana, the governing body which activated the Authority, to approve the Project;


NOW THEREFORE, BE IT RESOLVED by the Common Council of the City of Ft. Wayne, Indiana, that:

SECTION 1. The Project is hereby approved.

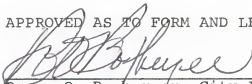
SECTION 2. The adoption by the Authority of a Resolution, in substantially the same form as Exhibit I attached hereto, is approved.

SECTION 3. The Authority's transactions contemplated by the Resolution, attached hereto as Exhibit I, are approved.

SECTION 4. This Resolution shall be in full force and effect from the date of its passage, signing and attestation.


_____, Councilman

APPROVED AS TO FORM AND LEGALITY



Bruce O. Boxberger, City Attorney

7-13-82

Dated

RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS
WITH RESPECT TO A PROPOSED FINANCING PLAN OF THE
HOUSING FINANCE CORPORATION, AN INDIANA NOT-FOR-
PROFIT CORPORATION, AND CONSENTING TO THE DETERMINATION
TO BE MADE BY THE UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT THAT SAID CORPORATION CONSTITUTES
AN INSTRUMENTALITY OF A PUBLIC HOUSING AGENCY SOLELY
WITHIN THE MEANING OF SECTION 3(6) OF THE UNITED STATES
HOUSING ACT OF 1937, AS AMENDED; APPROVING CERTAIN
DOCUMENTS RELATING THERETO.

WHEREAS, a serious shortage of assisted housing for
persons and families exists in the City of Ft. Wayne, Indiana
(the "City") and the Housing Authority of the City of Ft. Wayne,
Indiana (the "Authority") desires to cause to be provided
decent, safe and sanitary housing for persons and families in
the City; and

WHEREAS, the Housing Finance Corporation (the
"Corporation") will be formed by public-spirited citizens under
the Indiana Not-for-profit Corporation Act (the "Act"), to
engage in or assist in carrying out (including assistance by
borrowing and lending funds) the acquisition, construction or
rehabilitation, and equipping of housing projects for low-income
persons pursuant to Section 8 of the United States Housing Act
of 1937, as amended (the "Housing Act") which may be insured
pursuant to the National Housing Act of 1934, as amended; and

WHEREAS, under the Act and the Articles of
Incorporation of the Corporation, the Corporation will be duly
authorized to borrow money through the issuance of notes, bonds,
or other forms of indebtedness of the Corporation and will be
duly authorized to loan the proceeds of such borrowing in order
to further the public purposes for which the Corporation will be
formed; and

WHEREAS, the Corporation will propose to provide for
the interim construction loan financing and permanent mortgage
financing for the acquisition, construction and equipping of an
88-unit housing development designed for occupancy by persons
and families, including elderly and handicapped persons,
eligible for assistance under Section 8 of the Housing Act, to
be located in the City (the "Project"), to be owned and operated
by Centennial/Ft. Wayne Associates, an Indiana limited
partnership (the "Owner"); and

WHEREAS, the Owner has indicated that the financing of
the Project would be facilitated by the issuance of tax-exempt
permanent and interim obligations by a "public housing agency"
(or instrumentality thereof) pursuant to Section 11(b) of the
Housing Act and the regulations promulgated thereunder; and

WHEREAS, pursuant to the provisions and requirements of
Section 8 of the Housing Act, the United States Department of
Housing and Urban Development ("HUD") will enter into an Annual
Contributions Contract (the "ACC") with the Authority and the
Authority will enter into an Agreement To Enter Into Housing
Assistance Payments Contract with the Owner (the "HAP
Agreement") for the Project, providing for the execution of a
Housing Assistance Payments Contract (the "HAP Contract") by the
Authority and the Owner upon the completion of the Project and
its acceptance by HUD; and

WHEREAS, under the HAP Contract, the Authority will be
obligated to make housing assistance payments to the Owner on
behalf of eligible tenants occupying dwelling units in the
Project which housing assistance payments are payable solely
from the annual contributions HUD will be obligated to make to
the Authority under the ACC; and

WHEREAS, in order to raise funds with which to provide
the construction loan financing for the Project, the Corporation
intends to issue an amount not to exceed \$
approximate aggregate principal amount of Construction Loan

Notes (FHA-Insured Advances) (Centennial Townhomes) (the "Notes"), to be secured by an Indenture of Trust (the "Note Indenture") from the Corporation to _____, as Trustee (the "Note Trustee"); and

WHEREAS, in order to raise funds with which to provide the permanent mortgage financing for the Project, the Corporation intends to issue an amount not to exceed \$ _____ approximate aggregate principal amount of Mortgage Revenue Bonds (--FHA-Insured Mortgage and Section 8 Assisted Project) (the "Bonds"), to be secured by an Indenture of Trust (the "Bond Indenture"), from the Corporation to _____, as Trustee (the "Bond Trustee"); and

WHEREAS, the Authority approves the general concept of (1) the Articles of Incorporation and Bylaws of the Corporation, to be filed with the Secretary of State of Indiana, (2) certain other documents prepared and presented to this meeting with regard to the proposed issuance of the Corporation's Bonds to be issued for the purpose of paying the principal of the Notes, funding a debt service serve fund and certain costs of issuance with respect to the Project, and (3) documents prepared and presented to this meeting with regard to the proposed issuance of the Corporation's Notes to be issued for the purpose of paying the costs of development and construction of the Project in anticipation of release of the proceeds of the Bonds upon completion of the Project, and hereby authorizes its Chairman to review said documents and approve them in final form on behalf of the Authority; and

WHEREAS, it is now necessary and advisable for the Commissioners of the Authority to adopt this Resolution, as required by HUD Regulations, 24 CFR, Part 811, Subpart A, to enable the Corporation to proceed with the financing of and the development of the Project:

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF FT. WAYNE, INDIANA, THAT:

SECTION 1. It is hereby found and determined that the plan of the Corporation with respect to the Project, including the Corporation's projected program and expenditures, as submitted to HUD pursuant to 24 CFR, Part 811, Subpart A, will tend to provide decent, safe and sanitary housing for persons and families, including elderly and handicapped persons, eligible for assistance under Section 8 of the Housing Act, and is hereby approved.

SECTION 2. The Articles of Incorporation and Bylaws of the Corporation, organizational and other activities and records are hereby ratified and approved in general concept, and the Chairman or Executive Director of the Authority is authorized to review and give final approval and ratification of said documents on behalf of the Authority.

SECTION 3. The Directors of the Corporation plan to have issued a Certificate of Incorporation by the Secretary of the State of Indiana. The Directors of the Corporation will be authorized and directed to issue, sell and deliver Bonds and Notes of said Corporation pursuant to the applicable laws of the State of Indiana, and plan to permit the assignment and/or pledge of any security interest in the property so acquired by said Corporation for the purpose of constructing the Project and to enter into contracts for the sale of the Bonds and Notes and the construction of the Project, and, upon payment or defeasance of all bonded indebtedness of the Corporation, including the bonded indebtedness of the Corporation approved by the Authority, to convey the title to any property or property rights owned by the Corporation to the Authority or to its lawful successor or assign for public purposes.

SECTION 4. The Authority has been presented with a Resolution of the Corporation which includes provisions for the issuance and sale of Notes and Bonds, form of the Note Indenture and Bond Indenture, including the form of Notes and Bonds, form of mortgage and mortgage note, the pledge of which shall secure the Notes, the form of the Official Statements respecting the Notes and Bonds, and miscellaneous materials relating to the authorization of the Notes and Bonds and, in general principal, hereby approves the same in substantially the same form here presented and authorizes the Corporation to adopt and execute the same and all other documents necessary and proper to carry out the purposes herein; provided, however, that the Notes and Bonds approved hereby must be issued within 60 days of the effective date of this Resolution or approval and authorization of such documents by the Chairman or Executive Director of the Authority acting on behalf of the Authority as provided in this Section 4; and provided further that the Chairman or Executive Director of the Authority is authorized to give final approval and authorization of such documents in their final form on behalf of the Authority.

SECTION 5. It is hereby further found and determined that the issuance of the Notes and the Bonds by the Corporation pursuant to the Notes and the Bonds by the Corporation pursuant to the Note Indenture and the Bond Indenture will serve to enable the Corporation to carry out its plan and are hereby approved, provided that each of the Notes and Bonds shall expressly recite that:

Neither the State of Indiana, the City of Ft. Wayne, the Housing Authority of the City of Ft. Wayne, Indiana, the County of Allen, nor any other political subdivision or body corporate and politic of the State of Indiana, shall in any event be liable for the payment of principal of, premium, if any, or interest on the Bonds (or Notes as the case may be) nor any of the Corporation's agreements or obligations shall be construed to constitute an indebtedness of the State of Indiana, the City of Ft. Wayne, the Housing Authority of the City of Ft. Wayne, Indiana, the County of Allen, or any other political subdivision or body corporate and politic of the State of Indiana, within the meaning of any constitutional or statutory provision.

SECTION 6. The Board of Commissioners of the Authority hereby approve and consent to the determination to be made by HUD that the Corporation constitutes an "agency" or "instrumentality" and a "public housing agency" solely within the meaning, and only for the purposes, of Section 3(6) of the Housing Act, and HUD Regulations, particularly 24 CFR, Part 811, Subpart A, for the purpose of providing the interim and permanent financing for the Project. Nothing contained in this Resolution is intended, nor shall it be construed, to establish or create, or to authorize the establishment or creation by HUD, the Authority, or the Corporation, or otherwise, of (1) any common law or statutory agency relationship between the Corporation and the Authority or between the Corporation and HUD, under the laws of the State of Indiana, or (2) to create, or authorize the creation of, any indebtedness, obligation or liability of the Authority or HUD of any kind whatsoever, except for obligations assumed by HUD in accordance with written contracts executed by HUD and except as provided in Section 9 hereof.

SECTION 7. The officers of the Authority are hereby authorized to execute such documents as are deemed on the advice of counsel necessary and proper to implement the construction, financing and leasing of the housing units for persons and families eligible for assistance under Section 8 of the Housing Act.

SECTION 8. The Bonds and Notes of the Corporation shall not constitute a debt of the Authority or the State of Indiana or any of its political subdivisions.

SECTION 9. Upon dissolution of the Corporation, title to or other interest in any real or personal property that is owned by the Corporation at the time of dissolution shall be transferred to the Authority, another public housing agency (as that term is defined by HUD in its regulations) or to another nonprofit entity as determined by the Authority and approved by HUD, to be used only for purposes approved by HUD, and the Authority agrees to accept title to or other interest in such real or personal property, and if the Authority is unable to accept such gift, conveyance or distribution, then the Board of Commissioners of the Authority shall designate another public housing agency or another nonprofit entity subject to approval by HUD, to accept such title or other interest.

SECTION 10. The Project and the providing of financing for the Project are in the public interest of the citizens residing in the area of the Authority, and are proper public purposes, and the Authority desires to cooperate with agencies of the federal government and other public and private bodies to fulfill such public purposes.

SECTION 11. The Authority hereby agrees to perform an annual review of the Corporation's performance and to cause a copy of such review together with any audits performed during the reporting period to be forwarded to HUD.

SECTION 12. The Authority hereby agrees that in the event of a default by the Owner under the Housing Assistance Payments Contract, the Authority will pursue all available remedies to achieve correction of the default, including operation and possession of the Project, if called upon by HUD or the Note Trustee or (upon final endorsement of the Mortgage Note and assignment thereof to the Bond Trustee) the Bond Trustee.

SECTION 13. The Authority hereby approves and accepts the proposed ACC, consisting of Three Parts, and the Chairman, Vice Chairman, Executive Director or Secretary is hereby authorized and directed to execute the ACC in several counterparts on behalf of the Authority and to forward such executed counterparts to HUD together with such other documents evidencing the approval and authorizing the execution thereof as may be required by HUD.

SECTION 14. The Authority hereby approves and accepts the proposed HAP Agreement and the Chairman, Vice Chairman, Executive Director or Secretary is hereby authorized and directed to execute the HAP Agreement in several counterparts on behalf of the Authority and, following the execution of the HAP Agreement, to forward such executed counterparts to HUD together with such other documents evidencing the approval and authorizing the execution thereof as may be required by HUD. The Authority further agrees to administer the HAP Contract pursuant to the ACC.

SECTION 15. The Authority acknowledges the duties, obligations and covenants that it agrees to undertake, as will be set forth in the Note Indenture and the Bond Indenture, and officers of the Authority, including its Chairman and Executive Director, are authorized, empowered and directed to execute any documents to accomplish the purposes of this resolution, upon completion of construction of the Project and execution of the HAP Contract by and between the Owner and the Authority.

SECTION 16. The lawful acts of the Corporation, in authorizing the issuing and selling of the Bonds secured by the Bond Indenture and the Notes secured by the Note Indenture, as well as the projected financing program and projected

expenditures of the Corporation, are to be reviewed by the Chairman or Executive Director of the Authority who are authorized to act on behalf of the Authority to approve, ratify and confirm the same.

SECTION 17. The Authority shall have a right of access at any time to all books and records of the Corporation.

SECTION 18. It is found and determined that all formal actions of the Authority concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Authority; and that all deliberations of the Authority and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

SECTION 19. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 20. All prior resolutions and orders or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall take effect from and after its passage, the public welfare requiring it.

THIS RESOLUTION shall be in full force and effect from and after its passage in accordance with the laws of the State of Indiana.

Adopted and approved this day of May, 1982.

BY _____
Chairman, the Housing Authority
of the City of Ft. Wayne, Indiana

Attest with the Seal of
the Housing Authority
of the City of Ft. Wayne,
Indiana

By _____
Secretary

EXTRACT FROM
MINUTES OF A REGULAR MEETING OF
THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY
OF THE CITY OF FT. WAYNE, INDIANA

The Board of Commissioners of the Housing Authority of the City of Ft. Wayne, Indiana, met in regular session at its regular meeting place on _____, 1982, at _____ p.m., Central Time, with Chairman _____ present and presiding, and the following members present, to-wit:

Present: _____

Absent: _____

The attached Resolution was read in full. Following its reading, the Resolution was moved by _____, seconded by _____, and after due deliberation, was adopted by the following roll call vote:

AYES: _____

NAYS: _____

The Chairman thereupon declared said Resolution adopted and approved the same in open meeting.

STATE OF INDIANA)

) SS:

COUNTY OF ALLEN)

I, _____, hereby certify that I am the duly qualified and acting Secretary of the Housing Authority of the City of Ft. Wayne, Indiana (the "Authority"), and as such official I further certify that attached hereto is a copy of excerpts from the minutes of the meeting of the Board of Commissioners of the Authority held on _____, 1982;

that I have compared said copy with the original minute record of said meeting; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to the adoption of a resolution making certain findings and determinations with respect to the

Housing Finance Corporation, an Indiana not-for-profit corporation, and consenting to the determination by HUD that said corporation constitutes a "public housing agency" under Section 3(6) of the United States Housing Act of 1937, as amended, and the regulations promulgated thereunder.

WITNESS my official signature and the seal of the

day of _____, 1982.

BY

Secretary

[SEAL]

Read the first time in full and on motion by Gia Quinta,
seconded by Stier, and duly adopted, read the second time
by title and referred to the Committee Finance (and the City
Plan Commission for recommendation) and Public Hearing to be held after
due legal notice, at the Council Chambers, City-County Building, Fort Wayne,
Indiana, on _____, 19____, the _____ day of _____,
at _____ o'clock _____ M., E.S.T.

DATE: 7-13-82

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

Read the third time in full and on motion by Gia Quinta,
seconded by Stier, and duly adopted, placed on its
passage. **PASSED** (LOST) by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>	<u>TO-WIT:</u>
<u>TOTAL VOTES</u>	<u>4</u>	<u>4</u>	_____	<u>1</u>	_____
<u>BRADBURY</u>	<u>X</u>	_____	_____	_____	_____
<u>BURNS</u>	_____	<u>X</u>	_____	_____	_____
<u>EISBART</u>	<u>X</u>	_____	_____	_____	_____
<u>GIAQUINTA</u>	<u>X</u>	_____	_____	_____	_____
<u>NUCKOLS</u>	_____	_____	_____	<u>X</u>	_____
<u>SCHMIDT</u>	_____	<u>X</u>	_____	_____	_____
<u>SCHOMBURG</u>	_____	<u>X</u>	_____	_____	_____
<u>STIER</u>	_____	<u>X</u>	_____	_____	_____
<u>TALARICO</u>	<u>X</u>	_____	_____	_____	_____

DATE: 7-20-82

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne,
Indiana, as (ZONING MAP) (GENERAL) (ANNEXATION) (SPECIAL)
(APPROPRIATION) ORDINANCE (RESOLUTION) NO. _____
on the _____ day of _____, 19____.

ATTEST:

(SEAL)

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on
the _____ day of _____, 19____, at the hour of
_____ o'clock _____ M., E.S.T.

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

Approved and signed by me this _____ day of _____
19____, at the hour of _____ o'clock _____ M., E.S.T.

WIN MOSES, JR. - MAYOR

9-82-07-17

BONAHOOM, CHAPMAN, McNELLIS & MICHAELS

ATTORNEYS AT LAW

SUITE 2100

FORT WAYNE NATIONAL BANK BUILDING

FORT WAYNE, INDIANA 46802

TELEPHONE
AREA CODE 219
422-3547

OF COUNSEL
BYRON F. NOVITSKY

OTTO M. BONAHOOM
HOWARD L. CHAPMAN
PAUL B. McNELLIS
PATRICK G. MICHAELS
CHARLES M. LOESER
GREGORY A. KAHRE

July 13, 1982

Hon. Charles Westerman
Clerk, City of Fort Wayne
124 City-County Building
Fort Wayne, Indiana 46802

Re: Centennial Townhomes Proposed 811 (b) Bond Issue

Dear Charlie:

Attached you will find a letter from Puller Mortgage Associates, Inc., dated July 9, 1982 concerning the above. I ask that this correspondence be placed in the file of each council person for their consideration.

Thank you for your continuing cooperation.

Yours truly,

BONAHOOM, CHAPMAN, McNELLIS
& MICHAELS



Paul B. McNellis

McN:dd



Puller MORTGAGE ASSOCIATES, INC.

CASTLE CREEK BUILDING

8604 ALLISONVILLE ROAD, SUITE 109, INDIANAPOLIS, INDIANA 46250 317-842-4800

July 9, 1982

Mr. Paul B. McNellis
Bonahoom, Chapman, McNellis & Michaels
2100 Fort Wayne National Bank Building
Fort Wayne, Indiana 46802

Re: CENTENNIAL TOWNHOMES, Fort Wayne, Indiana
811(b) Bond Issue

Dear Mr. McNellis:

We are writing to advise you of the status of the above-captioned project and the developments which are occurring in Washington D.C. on projects of this nature.

As you are well aware, Centennial Townhomes was unsuccessful in obtaining a GNMA tandem take-out for the permanent mortgage in the last lottery. At that time we were preparing the construction loan with the use of 103(b) bonds. However, because of the lack of sufficient Government National Mortgage Association funds, this type of financing became infeasible.

The only other possible vehicle of financing for this needed housing project is now with the use of the 811(b) financing adjustment factor. As a result, our bond underwriters are pursuing this issue through the Public Housing Authority and City Council for approval.

Recently our local HUD office informed us that they have received notice that the prevailing wage determinations are going to be rescinded for our Region on July 27, 1982, and all closings will be cancelled until such time as Central office has reviewed and revised the wage scales for publication in the Federal Register. Another deadline date facing this project is the impounded construction date of August 1, 1982, which has been imposed with the FAF regulations. All projects will be cancelled after this date unless Congress approves an extension to the regulations which seems unlikely at this time.

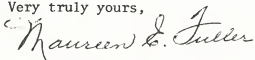
Mr. Paul B. McNellis
CENTENNIAL TOWNHOMES
July 9, 1982

Page 2.

Therefore, we are requesting your assistance in expediting the hearings and procedures for our final approvals of this bond issue in order that this project is not lost because of the economic philosophy of the current administration. This will be the last possibility for the City of Fort Wayne to obtain any new construction Section 8 subsidy, as all funds of this type have been cancelled in next year's budget allowances from Washington. Hence, it is vital that we do everything to make this proposal a reality.

Please do not hesitate to contact us with any questions concerning the above, and if we can expedite information you may need, please call upon us. Thanking you in advance for your kind attention to this matter, I remain

Very truly yours,

A handwritten signature in cursive script, reading "Maureen E. Fuller". The signature is written in dark ink and is positioned below the typed name.

Maureen E. Fuller
Vice President

MEF:jb

cc: Fred Fielder
Robert Gaudreau
Robert Ryan

BONAHOOM, CHAPMAN, McNELLIS & MICHAELS

ATTORNEYS AT LAW

SUITE 2100

FORT WAYNE NATIONAL BANK BUILDING

FORT WAYNE, INDIANA 46802

July 20, 1982

TELEPHONE

AREA CODE 219

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OF COUNSEL

BYRON F. NOVITSKY

OTTO M. BONAHOOM
HOWARD L. CHAPMAN
PAUL B. McNELLIS
PATRICK G. MICHAELS
CHARLES W. LOESER
GREGORY A. KAHRE
STEVEN R. SCHAFER

Hon. Charles Westerman
Clerk, City of Fort Wayne
124 City-County Building
Fort Wayne, Indiana 46802

Re: Centennial Townhomes Proposed 811b Resolution

Dear Charlie:

Would you kindly include the attached letter from Puller Mortgage Associates, Inc., dated July 16, 1982, in the file of each council person for their consideration at tonight's meeting.

Yours truly,

BONAHOOM, CHAPMAN, McNELLIS
& MICHAELS

Paul B. McNellis

McN:dd

Enclosures



Puller MORTGAGE ASSOCIATES, INC.

CASTLE CREEK BUILDING

8604 ALLISONVILLE ROAD, SUITE 109, INDIANAPOLIS, INDIANA 46250 317-842-4800

July 16, 1982

Mr. Paul B. McNellis
Bonahoom, Chapman, McNellis & Michaels
2100 Fort Wayne National Bank Building
Fort Wayne, Indiana 46802

Subject: CENTENNIAL TOWNHOMES

Dear Mr. McNellis:

This letter is to briefly outline the HUD financing program for Section 8 new construction referred to as 811(b) Financing Adjustment Factor (FAF).

As you are aware, Puller Mortgage Associates, Inc. has considerable experience in multifamily housing finance. We have successfully been able to assist in the finance and construction of elderly, Section 8, and market rate rental housing through the State of Indiana. Section 8 developments have been financed utilizing tax-exempt bonds and program 811(b) in such cities as Lafayette, Kokomo, Evansville, and Indianapolis. As a result, we have worked very closely with all parties involved, not only HUD and the developer, but City officials, residents and local businessmen. Also, we have seen the benefit to local communities and feel that many negative connotations have been changed. We have attempted to process, finance, and assist sponsors in order to provide attractive, decent housing at the lowest possible financing in order to benefit tenants and the local community alike. When we first approached the City of Fort Wayne, the GNMA tandem program was the best financing method to benefit the tenants and community. With the cancellation of the tandem program funding, Section 811(b) FAF is the next best financing vehicle. In fact, it is the only vehicle.

The 811(b) FAF program combines the financing sources of tax-exempt bonds with the government increasing the Section 8 housing assistance payments by .5 per cent to offset the increase in rental rates necessary as a result of any increased interest rates. This program does not provide for any increase in sponsors' profit rate or any changes in

Paul B. McNellis
CENTENNIAL TOWNHOMES
July 16, 1982

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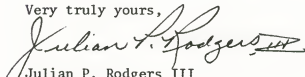
construction costs. In fact, the sponsor must contribute additional equity in order to buy down the interest rate between 8 per cent (HUD ceiling on rental increase) and 12 per cent (HUD ceiling on bond rate) plus any discounts required to buy down a rate which may exceed the 12 per cent cap and actual market rate on the bonds. The FAF program was instituted by HUD to provide a financing vehicle for the balance of the Section 8 developments, which did not receive a GNMA tandem commitment.

Let me give you several other facts:

1. Section 8 funds have been allocated for Centennial Townhomes. If the development is not financed, the funds will be allocated to another new construction development in another city or state.
2. The sponsors plan to start construction within the next two weeks, based on the 811(b) financing and a positive vote by the Fort Wayne City Council. This will result in construction jobs and material purchases from local businessmen.
3. This method of financing provides for the City of Fort Wayne Housing Authority to administer the housing assistance payment contract and receive a fee for such administration.
4. Although the rental rates are increased to provide sufficient income for debt service, this does not result in a change in the formula utilized to determine the actual rents tenants will pay. Tenants will still pay a percentage of their income with the housing assistance allocations providing the difference.

I hope this information answers your questions, and if I can elaborate on anything, just let me know.

Very truly yours,


Julian P. Rodgers III
Representative

JPR:jb

BILL NO. R-82-07-17

REPORT OF THE COMMITTEE ON FINANCE

WE, YOUR COMMITTEE ON Finance TO WHOM WAS REFERRED AN
~~ORDINANCE~~ A RESOLUTION APPROVING THE FINANCING OF THE CENTENNIAL TOWNHOMES

HAVE HAD SAID ORDINANCE UNDER CONSIDERATION AND BEG LEAVE TO REPORT
BACK TO THE COMMON COUNCIL THAT SAID ORDINANCE DO NOT PASS.

✓ MARK E. GIAQUINTA - CHAIRMAN

PAUL M. BURNS - VICE CHAIRMAN

JAMES S. STIER

✓ JOHN NUCKOLS

DONALD J. SCHMIDT

7-20-82
CONCURRED IN
DATE 7-20-82 CHARLES W. WESTERMAN, CITY CLERK